



Risk Management Process
For [Project Name]

1. Introduction

The Project Issue Management Process is followed during the Execution phase of the Project Management Life Cycle throughout the project; however, risks may be identified at any stage of the life cycle.

1.1 What is a Risk?

A risk is something that may happen in the future and may impact the project's triple constraint of budget, schedule and scope. A risk may or may happen, however, it can be planned for based on its probability of it occurring and the possible impact on the project or deliverable(s). Risks can be avoided completely, minimized, or resolved head on. By managing risk properly, its impact can be neutralized or absorbed into a project with little or no impact to a project at all.

1.2 What is a Risk Management Process?

A Risk Management Process is a method by which risks to the project (e.g. to the scope, deliverables, timescales or resources) are formally identified, quantified and managed during the life of the project. The process entails completing a number of actions to reduce the likelihood of occurrence and the severity of impact of each risk.

A Risk Management Process is used to ensure that every risk is formally:

- Identified
- Quantified
- Monitored
- Avoided, transferred or mitigated.

1.3 When to use a Risk Management Process

Although the Risk Management Process is undertaken during the 'Execution' phase of the project (i.e. the phase within which the deliverables are produced), project risks may be identified at any stage of the project lifecycle. In theory, any risk identified during the life of the project will need to be formally managed as part of the Risk Management Process. Without a formal Risk Management Process in place the objective of delivering a solution within 'time, cost and quality' may be compromised.

The Risk Management Process is terminated only when the Execution phase of the project is completed (i.e. just prior to Project Closure).



Project Risk Management Process

1.4 Instructions

Not all sections in this document will apply due to the uniqueness of each project. If a particular section is not applicable; enter NA (Not Applicable) to indicate that you have at least considered this section.

Under Contact Information, the Sponsor, Authorized By, and Contact can be the same or different individuals.

All tables and boxes are expandable. Add rows when it is necessary to include additional information.

Definitions of project management and technology terms are presented in the On-line Project Management Glossary (www.technology.wv.gov).

1.5 Contact Information

Date Submitted:	<u>Click here to enter a date.</u>	Prepared By:	<u>Click here to enter text.</u>
Sponsor:	<u>Click here to enter text.</u>	Sponsoring Entity:	<u>Click here to enter text.</u>
Authorized By**:	<u>Click here to enter text.</u>	Contact:	<u>Click here to enter text.</u>
Contact Phone No.:	<u>Click here to enter text.</u>	Contact Email:	<u>Click here to enter text.</u>
PAS number:	<u>Click here to enter text.</u>		

1.6 Document History

Version	Issue Date	Changes
[1.0]	[Date]	[Section, Page(s) and Text Revised]

1.7 Submit Questions and Acceptance documents to:

vvot.epmo@wv.gov



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2 Risk Management Process

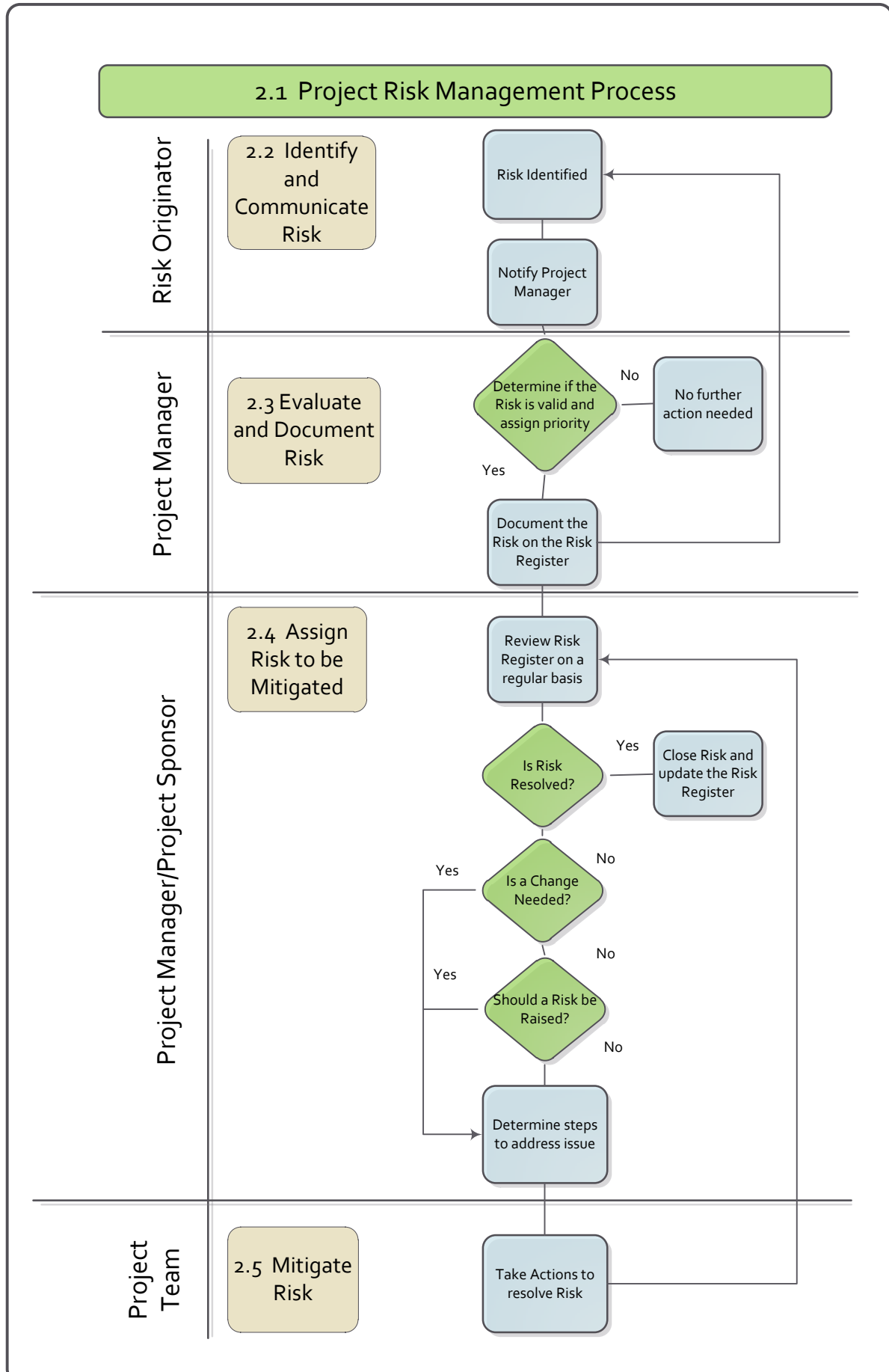
2.1 Overview

The Risk Management Process is undertaken to ensure that each risk identified within the project environment is documented, escalated and mitigated as appropriate. Risks are defined as 'any event which is likely to adversely affect the ability of the project to achieve the defined objectives'."

Risk Management involves the implementation of five key processes:

- The identification of project risks
- The logging and prioritizing of project risks
- The identification of risk mitigating actions
- The assignment and monitoring of risk mitigating actions
- The closure of project risks.

The following diagram provides an overview of the risk processes and procedures to be undertaken to effectively manage project-related risks:



2.2 Identify and Communicate Risk

Customers or any member of the project team can raise a risk at any time. When this occurs, the Risk Originator:

- Identifies a risk applicable to a particular aspect of the project (e.g. scope, deliverables, timescales)
- Informs the Project Manager, preferably through a written communication.

2.2 Evaluate and Document Risk

The Project Manager reviews all risks raised and determines whether or not each risk identified is applicable to the project. This decision will be primarily based upon whether or not the risk impacts on the:

- Deliverable specified in the Project Charter
- Quality targets specified in the Quality Review Plan
- Delivery targets specified in the Project Plan
- Resource targets specified in the Project Charter
- Financial targets specified in the Project Budget

If the risk is considered by the Project Manager to be 'related to the project', then a formal risk is raised in the Risk Register and a Risk ID assigned. The Project Manager will evaluate the risk's probability, impact, detectability, and importance based on the risk's severity.

2.3 Assign Risk to be Mitigated

The Project Manager will complete a formal review of each risk listed in the Risk Register and decide (based upon the risk 'impact' and 'likelihood') whether or not to:

- Close the risk in the Risk Register if there are no outstanding risk actions and the risk is no longer likely to impact on the project
- Raise a change request if a change to the project is required to mitigate the risk
- Assign risk actions to mitigate the risk
- Escalate the risk to the Project Sponsor to address

2.4 Mitigate Risk

After a plan to mitigate the risk has been determined, the Project Manager will:

- Scheduling each step for implementation
- Ensure each step has been completed
- Review the success of each step implemented
- Communicate the success of each step implemented
- Close the risk on the Risk Register

3 Risk Roles

The following resources will play a role in the identification, review and mitigation of risks within a project:

3.1 Risk Originator

The Risk Originator identifies the issue and formally notifies the Project Manager, preferably through a written communication. The Risk Originator can be the Customer or any member of the project staff.

3.2 Project Manager

The Project Manager receives, records, monitors and controls the progress of all risks within a project. The Project Manager is responsible for:

- Receiving risks that are raised from Issue Originators
- Recording and prioritizing risks deemed appropriate to the project in the Risk Register
- Regularly reviewing all risks
- Identifying risks which require change requests and/or those that need to be raised to the Project Sponsor
- Approving risk mitigation actions
- Closing risks which are no longer impacting on the project.

3.3 Project Sponsor

The Project Sponsor will receive risks from the Project Manager that are deemed high priority or high impact to the overall success of the project. The Project Sponsor may direct or guide the Project Manager on the most appropriate course of action to take to mitigate the risk.

3.4 Project Team

The Project Team executes all risk mitigating actions as delegated by the Project Manager and/or Project Sponsor.

4 Risk Documents

List any other documentation used to identify, track and control risks to the project.

4.1 Risk Register

The 'Risk Register' is the log / database where all risks are registered and tracked through to closure. Insert a template for the Risk Register here to show how risks will be recorded and monitored on this project.

4.2 Project Closure Report

The Project Closure report formalizes the closure of the project. It provides confirmation that any remaining risks are captured and noted for future phases or project work prior to formally closing the project.